



QUARTERLY STATEMENT
AS OF September 30, 2010
OF THE CONDITION AND AFFAIRS OF THE
TOTAL HEALTH CARE, INC.

NAIC Group Code	1238 (Current Period)	1238 (Prior Period)	NAIC Company Code	95644	Employer's ID Number	38-2018957
Organized under the Laws of	Michigan		State of Domicile or Port of Entry	Michigan		
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[] Dental Service Corporation[] Other[]		Property/Casualty[] Vision Service Corporation[] Is HMO Federally Qualified? Yes[X] No[] N/A[]		Hospital, Medical & Dental Service or Indemnity[] Health Maintenance Organization[X]	
Incorporated/Organized	07/01/1973		Commenced Business	05/01/1976		
Statutory Home Office	3011 W. GRAND BLVD. SUITE 1600 (Street and Number)		DETROIT, MI 48202 (City, or Town, State and Zip Code)			
Main Administrative Office	3011 W. GRAND BLVD. SUITE 1600 (Street and Number)					
	DETROIT, MI 48202 (City or Town, State and Zip Code)		(313)871-2000 (Area Code) (Telephone Number)			
Mail Address	3011 W. GRAND BLVD. SUITE 1600 (Street and Number or P.O. Box)		DETROIT, MI 48202 (City, or Town, State and Zip Code)			
Primary Location of Books and Records	3011 W. GRAND BLVD. SUITE 1600 (Street and Number)					
	DETROIT, MI 48202 (City, or Town, State and Zip Code)		(313)871-2000 (Area Code) (Telephone Number)			
Internet Web Site Address	TOTALHEALTHCAREONLINE.COM					
Statutory Statement Contact	NICOLE KHODADADEH, CFO (Name)		(313)871-7842 (Area Code)(Telephone Number)(Extension)			
	NKHODADADEH@THC-ONLINE.COM (E-Mail Address)		(313)871-4762 (Fax Number)			

OFFICERS

Name	Title
RANDY NAROWITZ	EXECUTIVE DIRECTOR #
KATHLEEN THERESA KATHER	TREASURER
ROBYN JAMES ARRINGTON JR.,M.D.	MEDICAL DIRECTOR
DOUGLAS PAUL BAKER	CHAIRPERSON
RUBY OCTAVIA COLE	SECRETARY

OTHERS

DIRECTORS OR TRUSTEES

JEANETTE ABBOTT	DOUGLAS PAUL BAKER
RUBY OCTAVIA COLE	KATHLEEN THERESA KATHER
GERTRUDE HELEN MINKIEWICZ	VERLANDO SIMS
ELIZABETH PRATCHER	

State of Michigan
County of WAYNE ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature) RANDY NAROWITZ (Printed Name) 1. EXECUTIVE DIRECTOR (Title)	(Signature) KATHLEEN THERESA KATHER (Printed Name) 2. TREASURER (Title)	(Signature) DOUGLAS PAUL BAKER (Printed Name) 3. CHAIRPERSON (Title)
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Subscribed and sworn to before me this	a. Is this an original filing?	Yes[X] No[]
day of , 2010	b. If no, 1. State the amendment number	
	2. Date filed	
	3. Number of pages attached	

(Notary Public Signature)

ASSETS

		Current Statement Date			4
		1	2	3	
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	December 31, Prior Year Net Admitted Assets
1.	Bonds				
2.	Stocks:				
2.1	Preferred stocks				
2.2	Common stocks	12,114,044		12,114,044	8,306,337
3.	Mortgage loans on real estate:				
3.1	First liens				
3.2	Other than first liens				
4.	Real estate:				
4.1	Properties occupied by the company (less \$.....0 encumbrances)				
4.2	Properties held for the production of income (less \$.....0 encumbrances)				
4.3	Properties held for sale (less \$.....0 encumbrances)				
5.	Cash (\$.....16,023,117), cash equivalents (\$.....0) and short-term investments (\$.....8,958,326)	24,981,443		24,981,443	27,228,705
6.	Contract loans (including \$.....0 premium notes)				
7.	Derivatives				
8.	Other invested assets				
9.	Receivables for securities				
10.	Aggregate write-ins for invested assets				
11.	Subtotals, cash and invested assets (Lines 1 to 10)	37,095,487		37,095,487	35,535,042
12.	Title plants less \$.....0 charged off (for Title insurers only)				
13.	Investment income due and accrued	4,442		4,442	5,831
14.	Premiums and considerations:				
14.1	Uncollected premiums and agents' balances in the course of collection	6,323		6,323	
14.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums)				
14.3	Accrued retrospective premiums				
15.	Reinsurance:				
15.1	Amounts recoverable from reinsurers				88,291
15.2	Funds held by or deposited with reinsured companies				
15.3	Other amounts receivable under reinsurance contracts				
16.	Amounts receivable relating to uninsured plans				
17.1	Current federal and foreign income tax recoverable and interest thereon				
17.2	Net deferred tax asset				
18.	Guaranty funds receivable or on deposit				
19.	Electronic data processing equipment and software				
20.	Furniture and equipment, including health care delivery assets (\$.....0)				
21.	Net adjustments in assets and liabilities due to foreign exchange rates				
22.	Receivables from parent, subsidiaries and affiliates				82,391
23.	Health care (\$.....3,902,380) and other amounts receivable	3,902,380	101,284	3,801,096	4,097,975
24.	Aggregate write-ins for other than invested assets	459,373	459,373		
25.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 11 to 24)	41,468,005	560,657	40,907,348	39,809,530
26.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
27.	Total (Lines 25 and 26)	41,468,005	560,657	40,907,348	39,809,530
DETAILS OF WRITE-INS					
1001.	.....			
1002.	.....			
1003.	.....			
1098.	Summary of remaining write-ins for Line 10 from overflow page				
1099.	TOTALS (Lines 1001 through 1003 plus 1098) (Line 10 above)				
2401.	Intangible Assets	35,965	35,965		
2402.	Negative A/P > 90 days	257,745	257,745		
2403.	Due from Management Co.	9,129	9,129		
2498.	Summary of remaining write-ins for Line 24 from overflow page	156,534	156,534		
2499.	TOTALS (Lines 2401 through 2403 plus 2498) (Line 24 above)	459,373	459,373		

LIABILITIES, CAPITAL AND SURPLUS

		Current Period			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$.....0 reinsurance ceded)	15,506,783		15,506,783	16,579,054
2.	Accrued medical incentive pool and bonus amounts	448,162		448,162	962,735
3.	Unpaid claims adjustment expenses	348,823		348,823	372,944
4.	Aggregate health policy reserves				
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserve				
7.	Aggregate health claim reserves				
8.	Premiums received in advance	19,976		19,976	6,884
9.	General expenses due or accrued				(117,834)
10.1	Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized gains (losses))				
10.2	Net deferred tax liability				
11.	Ceded reinsurance premiums payable				
12.	Amounts withheld or retained for the account of others				
13.	Remittances and items not allocated				
14.	Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current)				
15.	Amounts due to parent, subsidiaries and affiliates				442,988
16.	Derivatives				
17.	Payable for securities				
18.	Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers)				
19.	Reinsurance in unauthorized companies				
20.	Net adjustments in assets and liabilities due to foreign exchange rates				
21.	Liability for amounts held under uninsured plans				
22.	Aggregate write-ins for other liabilities (including \$.....0 current)	31,641		31,641	3,000
23.	Total liabilities (Lines 1 to 22)	16,355,385		16,355,385	18,249,771
24.	Aggregate write-ins for special surplus funds	X X X	X X X		
25.	Common capital stock	X X X	X X X		
26.	Preferred capital stock	X X X	X X X		
27.	Gross paid in and contributed surplus	X X X	X X X		
28.	Surplus notes	X X X	X X X		
29.	Aggregate write-ins for other than special surplus funds	X X X	X X X		
30.	Unassigned funds (surplus)	X X X	X X X	24,551,963	21,559,759
31.	Less treasury stock, at cost:				
31.1	.....0 shares common (value included in Line 25 \$.....0)	X X X	X X X		
31.2	.....0 shares preferred (value included in Line 26 \$.....0)	X X X	X X X		
32.	Total capital and surplus (Lines 24 to 30 minus Line 31)	X X X	X X X	24,551,963	21,559,759
33.	Total Liabilities, capital and surplus (Lines 23 and 32)	X X X	X X X	40,907,348	39,809,530
DETAILS OF WRITE-INS					
2201.	Accrued Other				3,000
2202.	Reinsurance Overpayment	131,000		131,000	
2203.	Use Tax Overpayment	(99,359)		(99,359)	
2298.	Summary of remaining write-ins for Line 22 from overflow page				
2299.	TOTALS (Lines 2201 through 2203 plus 2298) (Line 22 above)	31,641		31,641	3,000
2401.	.....	X X X	X X X		
2402.	.....	X X X	X X X		
2403.	.....	X X X	X X X		
2498.	Summary of remaining write-ins for Line 24 from overflow page	X X X	X X X		
2499.	TOTALS (Lines 2401 through 2403 plus 2498) (Line 24 above)	X X X	X X X		
2901.	.....	X X X	X X X		
2902.	.....	X X X	X X X		
2903.	.....	X X X	X X X		
2998.	Summary of remaining write-ins for Line 29 from overflow page	X X X	X X X		
2999.	TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

		Current Year To Date		Prior Year To Date	Prior Year Ended December 31
		1 Uncovered	2 Total	3 Total	4 Total
1.	Member Months	X X X	488,443	485,167	647,906
2.	Net premium income (including \$.....0 non-health premium income)	X X X	134,492,132	135,765,608	182,505,790
3.	Change in unearned premium reserves and reserves for rate credits	X X X			
4.	Fee-for-service (net of \$.....0 medical expenses)	X X X			
5.	Risk revenue	X X X			
6.	Aggregate write-ins for other health care related revenues	X X X		(2,511,570)	(2,511,570)
7.	Aggregate write-ins for other non-health revenues	X X X			
8.	Total revenues (Lines 2 to 7)	X X X	134,492,132	133,254,038	179,994,220
Hospital and Medical:					
9.	Hospital/medical benefits		87,746,166	88,313,760	129,059,767
10.	Other professional services		3,670,921	4,002,450	5,736,426
11.	Outside referrals				
12.	Emergency room and out-of-area		12,914,282	8,838,169	8,636,800
13.	Prescription drugs		10,663,433	10,744,210	14,268,669
14.	Aggregate write-ins for other hospital and medical		752,471	700,110	958,778
15.	Incentive pool, withhold adjustments and bonus amounts		(754,979)	498,091	614,677
16.	Subtotal (Lines 9 to 15)		114,992,294	113,096,790	159,275,117
Less:					
17.	Net reinsurance recoveries		313,366		135,376
18.	Total hospital and medical (Lines 16 minus 17)		114,678,928	113,096,790	159,139,741
19.	Non-health claims (net)				
20.	Claims adjustment expenses, including \$.....0 cost containment expenses		278,975	281,340	365,754
21.	General administrative expenses		21,634,660	19,409,444	25,925,847
22.	Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only)				
23.	Total underwriting deductions (Lines 18 through 22)		136,592,563	132,787,574	185,431,342
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	(2,100,431)	466,464	(5,437,122)
25.	Net investment income earned		52,882	130,760	147,752
26.	Net realized capital gains (losses) less capital gains tax of \$.....0				
27.	Net investment gains or (losses) (Lines 25 plus 26)		52,882	130,760	147,752
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)]				
29.	Aggregate write-ins for other income or expenses				
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	(2,047,549)	597,224	(5,289,370)
31.	Federal and foreign income taxes incurred	X X X			
32.	Net income (loss) (Lines 30 minus 31)	X X X	(2,047,549)	597,224	(5,289,370)
DETAILS OF WRITE-INS					
0601.	QUALITY ASSURANCE ASSESSMENT PAYMENT	X X X		(2,511,570)	(2,511,570)
0602.	.....	X X X			
0603.	.....	X X X			
0698.	Summary of remaining write-ins for Line 6 from overflow page	X X X			
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X		(2,511,570)	(2,511,570)
0701.	.....	X X X			
0702.	.....	X X X			
0703.	.....	X X X			
0798.	Summary of remaining write-ins for Line 7 from overflow page	X X X			
0799.	TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above)	X X X			
1401.	Other Expense		752,471	700,110	958,778
1402.	.....			
1403.	.....			
1498.	Summary of remaining write-ins for Line 14 from overflow page				
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)		752,471	700,110	958,778
2901.	.....			
2902.	.....			
2903.	.....			
2998.	Summary of remaining write-ins for Line 29 from overflow page				
2999.	TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)				

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2	3
		Current Year To Date	Prior Year To Date	Prior Year Ended December 31
CAPITAL & SURPLUS ACCOUNT				
33.	Capital and surplus prior reporting year	21,559,759	31,941,006	31,941,006
34.	Net income or (loss) from Line 32	(2,047,549)	597,224	(5,289,370)
35.	Change in valuation basis of aggregate policy and claim reserves			
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....0	3,807,707	1,156,339	(4,319,820)
37.	Change in net unrealized foreign exchange capital gain or (loss)			
38.	Change in net deferred income tax			
39.	Change in nonadmitted assets	1,232,046	175,458	(772,057)
40.	Change in unauthorized reinsurance			
41.	Change in treasury stock			
42.	Change in surplus notes			
43.	Cumulative effect of changes in accounting principles			
44.	Capital Changes:			
44.1	Paid in			
44.2	Transferred from surplus (Stock Dividend)			
44.3	Transferred to surplus			
45.	Surplus adjustments:			
45.1	Paid in			
45.2	Transferred to capital (Stock Dividend)			
45.3	Transferred from capital			
46.	Dividends to stockholders			
47.	Aggregate write-ins for gains or (losses) in surplus			
48.	Net change in capital and surplus (Lines 34 to 47)	2,992,204	1,929,021	(10,381,247)
49.	Capital and surplus end of reporting period (Line 33 plus 48)	24,551,963	33,870,027	21,559,759
DETAILS OF WRITE-INS				
4701.	.....	.....	.....	.....
4702.	.....	.....	.....	.....
4703.	.....	.....	.....	.....
4798.	Summary of remaining write-ins for Line 47 from overflow page .....	.....	.....	.....
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) .....	.....	.....	.....

CASH FLOW

		1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations				
1.	Premiums collected net of reinsurance	134,498,901	135,756,184	182,505,295
2.	Net investment income	54,271	153,284	170,794
3.	Miscellaneous income	721,737	(3,922,990)	(3,771,164)
4.	Total (Lines 1 to 3)	135,274,909	131,986,478	178,904,925
5.	Benefit and loss related payments	116,177,481	113,219,795	155,502,910
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7.	Commissions, expenses paid and aggregate write-ins for deductions	21,937,756	19,688,924	26,217,132
8.	Dividends paid to policyholders			
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)			
10.	Total (Lines 5 through 9)	138,115,237	132,908,719	181,720,042
11.	Net cash from operations (Line 4 minus Line 10)	(2,840,328)	(922,241)	(2,815,117)
Cash from Investments				
12.	Proceeds from investments sold, matured or repaid:			
12.1	Bonds		1,000,000	1,000,000
12.2	Stocks			
12.3	Mortgage loans			
12.4	Real estate			
12.5	Other invested assets			
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments			
12.7	Miscellaneous proceeds			
12.8	Total investment proceeds (Lines 12.1 to 12.7)		1,000,000	1,000,000
13.	Cost of investments acquired (long-term only):			
13.1	Bonds			
13.2	Stocks			
13.3	Mortgage loans			
13.4	Real estate			
13.5	Other invested assets			
13.6	Miscellaneous applications			
13.7	Total investments acquired (Lines 13.1 to 13.6)			
14.	Net increase (or decrease) in contract loans and premium notes			
15.	Net cash from investments (Line 12.8 minus Lines 13.7 and 14)		1,000,000	1,000,000
Cash from Financing and Miscellaneous Sources				
16.	Cash provided (applied):			
16.1	Surplus notes, capital notes			
16.2	Capital and paid in surplus, less treasury stock			
16.3	Borrowed funds			
16.4	Net deposits on deposit-type contracts and other insurance liabilities			
16.5	Dividends to stockholders			
16.6	Other cash provided (applied)	593,066	145,808	(35,404)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	593,066	145,808	(35,404)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS				
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(2,247,262)	223,567	(1,850,521)
19.	Cash, cash equivalents and short-term investments:			
19.1	Beginning of year	27,228,705	29,079,226	29,079,226
19.2	End of period (Line 18 plus Line 19.1)	24,981,443	29,302,793	27,228,705
Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:				
20.0001				
20.0002				

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year	54,862	32							54,830	
2. First Quarter	54,796	44							54,752	
3. Second Quarter	53,984	46							53,938	
4. Third Quarter	52,786	58							52,728	
5. Current Year										
6. Current Year Member Months	488,443	402							488,041	
Total Member Ambulatory Encounters for Period:										
7. Physician	175,646	253							175,393	
8. Non-Physician	87,977	93							87,884	
9. Total	263,623	346							263,277	
10. Hospital Patient Days Incurred	22,797	62							22,735	
11. Number of Inpatient Admissions	5,549	6							5,543	
12. Health Premiums Written (a)	134,604,997	144,645							134,460,352	
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	134,604,997	144,645							134,460,352	
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	117,020,751	133,623							116,887,128	
18. Amount Incurred for Provision of Health Care Services	114,992,294	132,789							114,859,505	

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....0.

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims						
1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 days	6 Over 120 Days	7 Total
Individually Listed Claims Unpaid						
CVS CAREMARK	643,537					643,537
0199999 Individually Listed Claims Unpaid	643,537					643,537
0299999 Aggregate Accounts Not Individually Listed - Uncovered						
0399999 Aggregate Accounts Not Individually Listed - Covered	5,131,897					5,131,897
0499999 Subtotals	5,775,434					5,775,434
0599999 Unreported claims and other claim reserves						9,731,349
0699999 Total Amounts Withheld						
0799999 Total Claims Unpaid						15,506,783
0899999 Accrued Medical Incentive Pool And Bonus Amounts						448,162

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business		Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1+3)	6 Estimated Claim Reserve and Claim Liability Dec.31 of Prior Year
		1	2	3	4		
		On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec.31 of Prior Year	On Claims Incurred During the Year		
1.	Comprehensive (hospital & medical)	9,850	123,658	49,933	8,653	59,783	11,354
2.	Medicare Supplement						
3.	Dental only						
4.	Vision only						
5.	Federal Employees Health Benefits Plan						
6.	Title XVIII - Medicare						
7.	Title XIX - Medicaid	11,575,913	105,311,330	4,943,358	10,504,839	16,519,271	16,567,700
8.	Other health						
9.	Health subtotal (Lines 1 to 8)	11,585,763	105,434,988	4,993,291	10,513,492	16,579,054	16,579,054
10.	Healthcare receivables (a)						
11.	Other non-health						
12.	Medical incentive pools and bonus amounts	(340,269)	(414,710)		448,162	(340,269)	962,735
13.	Totals	11,245,494	105,020,278	4,993,291	10,961,654	16,238,785	17,541,789

(a) Excludes \$.00 loans or advances to providers not yet expensed.

Notes to Financial Statement

Note 1 – Nature of Business and Significant Accounting Policies

Total Health Care, Inc. (the "Company"), a not-for-profit corporation, operates as a state-licensed health maintenance organization (HMO). Total Health Care, Inc. provides medical services to persons primarily in southeastern Michigan who subscribe as recipients of state or federal health benefits, as part of an employer group, or as individuals. Effective November 1, 2005, the Company no longer provides medical services to employer groups. Employer group contracts formerly serviced by the Company were transferred to Total Health Care USA, Inc. in 2005.

Total Health Care, Inc., and its wholly owned subsidiaries, Total Health Choice, Inc. and Total Health Care USA, Inc., have common officers on their respective governing boards.

Statutory Basis of Accounting – The financial statements have been prepared in accordance with the NAIC Accounting Practices and Procedures manual and the statutory accounting principles as prescribed by Section 1007 of the Michigan statutes. Statutory accounting principles differ from generally accepted accounting principles (GAAP) in their definition of assets and liabilities. Specifically, certain assets (such as intangible assets and receivables greater than 90 days) are excluded from the statutory basis balance sheet. GAAP net assets exceed statutory net assets by approximately \$560,657 and \$1,792,703 at September 30, 2010 and December 31, 2009, respectively. There are no significant differences between statutory accounting principles prescribed by the NAIC and the State of Michigan accounting requirements that are applicable to the Company.

Cash and Short-term Investments – The Company considers all highly liquid investments purchased with an original maturity of three months or less when purchased to be cash equivalents. Certificates of deposit in banks or other similar financial institutions with maturity dates of one year or less from the acquisition date are considered cash under statutory accounting principles.

Investments – Short-term investments and long-term certificates of deposit are recorded at amortized cost, which approximates fair market value. Long-term certificates of deposit are classified as bonds on the balance sheet per statutory guidance. Investments in health care subsidiaries are reported at the statutory net worth value of the subsidiary under the equity method and are reported as common stocks on the balance sheet. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in net investment income on the statement of operations. Changes in unrealized gains and losses on investments are included as a direct adjustment to capital and surplus.

Revenue Recognition and Accounts Receivable – Capitation revenue and subscriber premiums are recognized in the period that members are entitled to related health care services. A portion of the health care receivable is due from third-party payors for subscribers located within southeastern Michigan. No allowance for doubtful accounts is recorded in 2010 or 2009. Receivables greater than 90 days old are treated as non-admitted for statutory accounting purposes. Approximately \$258,000 and \$544,000 of receivables greater than 90 days old were non-admitted at September 30, 2010 and December 31, 2009, respectively. The Company also used to pay quality assurance assessment fees based on a percentage of revenue. Revenue for September 30, 2010 and December 31, 2009 is reported net of the fees,

Notes to Financial Statement

which totaled \$0 and \$2,511,570, respectively.

Recognition of Medical and Hospital Expenses – Medical and hospital expenses and the related liabilities are recorded when eligible medical and hospital services are authorized or performed. Unpaid claims represent management's estimate of the ultimate cost to settle all claims incurred prior to year-end. Capitation retained for the settlement of risk-sharing is included in the accrued medical incentive pool liability at September 30, 2010 and December 31, 2009.

Physician Group Contracts – The Company contracts with physician groups for the provision of medical care and compensates the groups on a capitation basis. During 2007, the Company revised its physician group contracts. These contracts have a specialty claims incentive and pay-for-performance incentive. If the providers meet the incentives, they share in the savings and a payable is recorded. If the providers do not meet the incentives, they share in the excess costs and a health care receivable is recorded if deemed collectible by management. During 2010 and 2009, health care receivables and payables have been recorded from/to providers.

Hospital Group Contracts – The Company has contracts with several hospitals and other groups. These contracts are paid under capitated fees or various other charge arrangements.

Malpractice Claims – The Company has a claims-made policy for malpractice insurance. The Company's policy is to accrue for estimated costs of claims and incidents during the term of the claims-made policy.

Employee Staffing and Purchased Services Agreement – The Company has an employee staffing and purchased services agreement with a limited liability company, which is responsible for payment of most of the management, operational, and administrative expenses. Ultimate operational control rests with the board of directors of Total Health Care, Inc.

Income Taxes – Total Health Care, Inc. has received federal income tax exemption under Internal Revenue Code Section 501(c)(4). The Company is also exempt from state and local income taxes.

Funds Maintained Under Statutory Requirements – The Company maintains segregated funds under statutory requirements to protect members and health care providers in the event the Company is unable to meet its contractual obligations. These funds can be used only at the direction of the insurance commissioner in accordance with statutory and contractual provisions. These funds are classified according to the nature of the investment. At September 30, 2010 and December 31, 2009, \$1,000,000 was held in short-term certificates of deposit to fulfill these requirements. Interest earned on these funds can be utilized by the Company.

Use of Estimates – The preparation of financial statements in conformity with statutory accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Certain significant estimates exist relating to unpaid claims. It is at least reasonably possible that these estimates will be materially revised in the near term.

Notes to Financial Statement

A reconciliation of the Total Health Care’s net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Michigan is shown below:

	2010	2009
(1) Net Income - State Basis	(2,047,549)	(5,289,370)
(2) State Prescribed Practices (Income):		
Depreciation of fixed assets	0	0
(3) State Permitted Practices (Income):		
Depreciation, home office property	0	0
(4) Net Income, NAIC SAP	(2,047,549)	(5,289,370)
(5) Statutory Surplus State Basis	24,551,963	21,559,759
(6) State Prescribed Practices (Surplus):		
Goodwill, net	0	0
Fixed Assets, net	0	0
(7) State Permitted Practices (Surplus):		
Home Office Property	0	0
(8) Statutory Surplus, NAIC SAP	24,551,963	21,559,759

Note 2 – Accounting Changes and Corrections of Errors

NO CHANGE

Note 3 – Business Combinations and Goodwill

This note is not applicable to the Company.

Note 4 – Discontinued Operations

This note is not applicable to the Company.

Note 5 – Investments

The Company does not have investments relating to mortgage loans, debt restructuring, reverse mortgages, loan-backed securities, repurchase agreement, or real estate.

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

The Company has no investments in joint ventures, partnerships, or limited liability companies.

Note 7 – Investment Income

The Company has no investment income due and accrued over 90 days past due.

Note 8 – Derivative Instruments

The Company does not invest in derivatives.

Note 9 – Income Taxes

This note is not applicable to the Company.

Note 10 – Information Concerning Parent, Subsidiaries, and Affiliates

Notes to Financial Statement

The Company's provider contracts are all negotiated in conjunction with Total Health Care USA, Inc., the Company's wholly owned subsidiary. This contracting methodology ultimately produces a blended contract rate, which is higher than Total Health Care, Inc. would have incurred had it contracted for Medicaid members only, and a rate significantly lower than Total Health Care USA, Inc. could obtain for its commercial members. See also Note 21.

Note 11 – Debt

This note is not applicable to the Company.

Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences, and Other Postretirement Benefit Plans

This note is not applicable to the Company.

Note 13 – Capital and Surplus, Stockholders' Divided Restrictions, and Quasi-reorganizations

NO CHANGE

Note 14 – Contingencies

NO CHANGE

Note 15 – Leases

NO CHANGE

Note 16 – Information about Financial Instruments with Off-balance-sheet Risk and Financial Instruments with Concentrations of Credit Risk

This note is not applicable to the Company.

Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

This note is not applicable to the Company.

Note 18 – Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

This note is not applicable to the Company.

Note 19 – Direct Premium Written/Produced by Managing General Agents/Third-party Administrators

This note is not applicable to the Company.

Note 20 – Other Items

NO CHANGE

Note 21 – Events Subsequent

The Company's wholly-owned subsidiary, Total Health Choice, Inc. experienced significant losses from operations during the three months ended March 31, 2010 and the year ended December 31, 2009, resulting in deficit capital and surplus at March 31, 2010 and December 31, 2009. To eliminate this deficiency, Total Health Choice, Inc. entered into an Asset Purchase Agreement with Simply Healthcare Plans, Inc. whereby certain assets and liabilities of Total Health Choice, Inc. were acquired by Simply Healthcare Plans, Inc. and Simply would assume the Medicaid contracts currently operated by Total Health Choice,

Notes to Financial Statement

Inc.. The commercial business was not acquired by Simply as part of the Asset Purchase Agreement. This agreement requires Simply to manage and be responsible for the commercial business throughout the claims run-off period. Total Health Choice, Inc.'s Certificate of Authority (COA) has been suspended and will remain so until all commercial claims have been paid. The acquiring entity was to prepare a Statement of Acquisition, Merger or Consolidation of a Specialty Insurer to be filed with the Florida Office of Insurance Regulation ("OIR") pursuant to Florida law. The transaction was contingent upon the execution of a binding agreement between Total Health Choice, Inc., Total Health Care, Inc., and the acquiring entity and all regulatory approvals being secured. Subsequent to the transactions completion, Total Health Choice, Inc. intends to surrender its certificate of authority to operate as a health maintenance organization and to exit the Florida market. In the event the transaction is not consummated to the satisfaction of the OIR, the OIR will begin taking regulatory action to terminate the existence of Total Health Choice, Inc. The agreement has been executed and approved by the Florida Office of Insurance Regulation.

Note 22 – Reinsurance

A. Ceded Reinsurance Report

NO CHANGE

B. Uncollectible Reinsurance

NO CHANGE

C. Commutation of Ceded Reinsurance

NO CHANGE

Note 23 – Retrospectively Rated Contracts and Contracts Subject to Redetermination

This note is not applicable to the Company.

Note 24 – Change in Incurred Losses

NO CHANGE

Note 25 – Intercompany Pooling Arrangements

This note is not applicable to the Company.

Note 26 – Structured Settlements

This note is not applicable to the Company.

Note 27 – Health Care Receivables

NO CHANGE

Note 28 – Participating Policies

This note is not applicable to the Company.

Note 29 – Premium Deficiency Reserves

This note is not applicable to the Company.

Note 30 – Anticipated Salvage and Subrogation

NO CHANGE

Notes to Financial Statement

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes[] No[X]
- 1.2 If yes, has the report been filed with the domiciliary state?

Yes[] No[] N/A[X]
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[] No[X]
- 2.2 If yes, date of change:
3. Have there been any substantial changes in the organizational chart since the prior quarter end?
If yes, complete the Schedule Y - Part 1 - organizational chart.

Yes[] No[X]
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[] No[X]
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?
If yes, attach an explanation.

Yes[] No[] N/A[X]
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2009
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2005
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

08/02/2007
- 6.4 By what department or departments?
MICHIGAN OFFICE OF FINANCIAL AND INSURANCE REGULATION
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes[X] No[] N/A[]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with?

Yes[X] No[] N/A[]
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes[] No[X]
- 7.2 If yes, give full information
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
		Yes[] No[X]	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

Yes[X] No[]
- 9.11 If the response to 9.1 is No, please explain:
- 9.2 Has the code of ethics for senior managers been amended?

Yes[] No[X]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers?

Yes[] No[X]
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes[] No[X]
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$..... 0

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes[] No[X]
- 11.2 If yes, give full and complete information relating thereto:
12. Amount of real estate and mortgages held in other invested assets in Schedule BA:

\$..... 0
13. Amount of real estate and mortgages held in short-term investments:

\$..... 0
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes[X] No[]

GENERAL INTERROGATORIES (Continued)

INVESTMENT

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds		
14.22 Preferred Stock		
14.23 Common Stock	8,306,337	12,114,044
14.24 Short-Term Investments		
14.25 Mortgages Loans on Real Estate		
14.26 All Other		
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	8,306,337	12,114,044
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above		

- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB?
- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
If no, attach a description with this statement.
16. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?
- 16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:
- Yes[] No[X]
Yes[] No[] N/A[X]
Yes[X] No[]

1 Name of Custodian(s)	2 Custodian Address
JP MORGAN - KATE MCDONALD	500 STANTON CHRISTIANA RD NEWARK, DE 19713
COMERICA - LYNN HUTZEL-UISEL	PO BOX 75000, DETROIT, MI 48275-3462
US BANK - LESLEY KOGER	535 GRISWOLD ST. STE. 550 DETROIT, MI 48226 .

- 16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

- 16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter?
- 16.4 If yes, give full and complete information relating thereto:
- Yes[] No[X]

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

- 16.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address

- 17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?
- 17.2 If no, list exceptions:
NOT REQUIRED BY STATE OF DOMICILE
- Yes[] No[X]

GENERAL INTERROGATORIES

PART 2 - HEALTH

1. Operating Percentages:		
1.1 A&H loss percent	.....	86%
1.2 A&H cost containment percent	.....	0%
1.3 A&H expense percent excluding cost containment expenses	.....	16%
2.1 Do you act as a custodian for health savings accounts?	Yes[] No[X]	
2.2 If yes, please provide the amount of custodial funds held as of the reporting date.	\$.....	0
2.3 Do you act as an administrator for health savings accounts?	Yes[] No[X]	
2.4 If yes, please provide the balance of the funds administered as of the reporting date.	\$.....	0

SCHEDULE S - CEDED REINSURANCE
Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Location	6 Type of Reinsurance Ceded	7 Is Insurer Authorized? (Yes or No)
Accident and Health - Non-affiliates						
20621	04-2475442 .....	..... 11/01/2009	ONEBEACON AMER INS CO	CANTON, MA .....	..... SSL/L/I .....	..... Yes[X] No[]

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

		1	Direct Business Only							
			2	3	4	5	6	7	8	9
State, Etc.		Active Status	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1.	Alabama (AL)	N								
2.	Alaska (AK)	N								
3.	Arizona (AZ)	N								
4.	Arkansas (AR)	N								
5.	California (CA)	N								
6.	Colorado (CO)	N								
7.	Connecticut (CT)	N								
8.	Delaware (DE)	N								
9.	District of Columbia (DC)	N								
10.	Florida (FL)	N								
11.	Georgia (GA)	N								
12.	Hawaii (HI)	N								
13.	Idaho (ID)	N								
14.	Illinois (IL)	N								
15.	Indiana (IN)	N								
16.	Iowa (IA)	N								
17.	Kansas (KS)	N								
18.	Kentucky (KY)	N								
19.	Louisiana (LA)	N								
20.	Maine (ME)	N								
21.	Maryland (MD)	N								
22.	Massachusetts (MA)	N								
23.	Michigan (MI)	L	144,561		134,347,571				134,492,132	
24.	Minnesota (MN)	N								
25.	Mississippi (MS)	N								
26.	Missouri (MO)	N								
27.	Montana (MT)	N								
28.	Nebraska (NE)	N								
29.	Nevada (NV)	N								
30.	New Hampshire (NH)	N								
31.	New Jersey (NJ)	N								
32.	New Mexico (NM)	N								
33.	New York (NY)	N								
34.	North Carolina (NC)	N								
35.	North Dakota (ND)	N								
36.	Ohio (OH)	N								
37.	Oklahoma (OK)	N								
38.	Oregon (OR)	N								
39.	Pennsylvania (PA)	N								
40.	Rhode Island (RI)	N								
41.	South Carolina (SC)	N								
42.	South Dakota (SD)	N								
43.	Tennessee (TN)	N								
44.	Texas (TX)	N								
45.	Utah (UT)	N								
46.	Vermont (VT)	N								
47.	Virginia (VA)	N								
48.	Washington (WA)	N								
49.	West Virginia (WV)	N								
50.	Wisconsin (WI)	N								
51.	Wyoming (WY)	N								
52.	American Samoa (AS)	N								
53.	Guam (GU)	N								
54.	Puerto Rico (PR)	N								
55.	U.S. Virgin Islands (VI)	N								
56.	Northern Mariana Islands (MP)	N								
57.	Canada (CN)	N								
58.	Aggregate other alien (OT)	X X X								
59.	Subtotal	X X X	144,561		134,347,571				134,492,132	
60.	Reporting entity contributions for Employee Benefit Plans	X X X								
61.	Total (Direct Business)	(a)..... 1	144,561		134,347,571				134,492,132	
DETAILS OF WRITE-INS										
5801.	.....	X X X								
5802.	.....	X X X								
5803.	.....	X X X								
5898.	Summary of remaining write-ins for Line 58 from overflow page	X X X								
5899.	TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X								

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

(a) Insert the number of L responses except for Canada and Other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

TOTAL HEALTH CARE, INC. – PARENT
38-2018957, NAIC #95644, STATE OF MICHIGAN

TOTAL HEALTH CARE USA, INC. – WHOLLY OWNED SUBSIDIARY OF TOTAL HEALTH CARE, INC.
38-3240485, NAIC #12326, STATE OF MICHIGAN

TOTAL HEALTH CHOICE, INC. – WHOLLY OWNED SUBSIDIARY OF TOTAL HEALTH CARE, INC.
33-0603319, NAIC #95134, STATE OF FLORIDA

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

RESPONSE
No

Explanations:

Bar Codes:

Medicare Part D Coverage Supplement



9564420103650003

2010

Document Code: 365

OVERFLOW PAGE FOR WRITE-INS

ASSETS

	Current Statement Date			4 December 31, Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
2404. Malpractice Insurance	156,534	156,534		
2497. Summary of remaining write-ins for Line 24 (Lines 2404 through 2496)	156,534	156,534		

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
2904.				
2997. Summary of remaining write-ins for Line 29 (Lines 2904 through 2996)				

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
4704.			
4797. Summary of remaining write-ins for Line 47 (Lines 4704 through 4796)			

STATEMENT AS OF **September 30, 2010** OF THE **TOTAL HEALTH CARE, INC.**

SCHEDULE A - VERIFICATION

Real Estate		1	2
		Year To Date	Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year		
2.	Cost of acquired		
2.1	Actual cost at time of acquisition		
2.2	Additional investment made after acquisition		
3.	Current year change in encumbrances		
4.	Total gain (loss) on disposals		
5.	Deduct amounts received on disposals		
6.	Total foreign exchange change in book/adjusted carrying value		
7.	Deduct current year's other than temporary impairment recognized		
8.	Deduct current year's depreciation		
9.	Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)		
10.	Deduct total nonadmitted amounts		
11.	Statement value at end of current period (Line 9 minus Line 10)		

SCHEDULE B - VERIFICATION

Mortgage Loans

Mortgage Loans		1	2
		Year To Date	Prior Year Ended December 31
1.	Book value/recorded investment excluding accrued interest, December 31 of prior year		
2.	Cost of acquired:		
2.1	Actual cost at time of acquisition		
2.2	Additional investment made after acquisition		
3.	Capitalized deferred interest and other		
4.	Accrual of discount		
5.	Unrealized valuation increase (decrease)		
6.	Total gain (loss) on disposals		
7.	Deduct amounts received on disposals		
8.	Deduct amortization of premium and mortgage interest points		
9.	Total foreign exchange change in book value/recorded investment		
10.	Deduct current year's other than temporary impairment recognized		
11.	Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12.	Total valuation allowance		
13.	Subtotal (Line 11 plus Line 12)		
14.	Deduct total nonadmitted amounts		
15.	Statement value at end of current period (Line 13 minus Line 14)		

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

Other Long-Term Invested Assets		1	2
		Year To Date	Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year		
2.	Cost of acquired:		
2.1	Actual cost at time of acquisition		
2.2	Additional investment made after acquisition		
3.	Capitalized deferred interest and other		
4.	Accrual of discount		
5.	Unrealized valuation increase (decrease)		
6.	Total gain (loss) on disposals		
7.	Deduct amounts received on disposals		
8.	Deduct amortization of premium and depreciation		
9.	Total foreign exchange change in book/adjusted carrying value		
10.	Deduct current year's other than temporary impairment recognized		
11.	Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12.	Deduct total nonadmitted amounts		
13.	Statement value at end of current period (Line 11 minus Line 12)		

SCHEDULE D - VERIFICATION

Bonds and Stocks

Bonds and Stocks		1	2
		Year To Date	Prior Year Ended December 31
1.	Book/adjusted carrying value of bonds and stocks, December 31 of prior year	8,306,337	13,626,158
2.	Cost of bonds and stocks acquired		
3.	Accrual of discount		
4.	Unrealized valuation increase (decrease)	5,840,300	(4,319,821)
5.	Total gain (loss) on disposals	(2,032,593)	
6.	Deduct consideration for bonds and stocks disposed of		1,000,000
7.	Deduct amortization of premium		
8.	Total foreign exchange change in book/adjusted carrying value		
9.	Deduct current year's other than temporary impairment recognized		
10.	Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	12,114,044	8,306,337
11.	Deduct total nonadmitted amounts		
12.	Statement value at end of current period (Line 10 minus Line 11)	12,114,044	8,306,337

SCHEDULE D - PART 1B
Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	8,942,131	16,195			8,926,055	8,942,131	8,958,326	16,160,752
2. Class 2 (a)								
3. Class 3 (a)								
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	8,942,131	16,195			8,926,055	8,942,131	8,958,326	16,160,752
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	8,942,131	16,195			8,926,055	8,942,131	8,958,326	16,160,752

Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0

SCHEDULE DA - PART 1

Short - Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999. Totals	8,958,326	X X X	8,958,326	47,573	

SCHEDULE DA - Verification

Short-Term Investments

		1 Year To Date	2 Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year	16,160,753	15,524,519
2.	Cost of short-term investments acquired	297,573	23,426,234
3.	Accrual of discount		
4.	Unrealized valuation increase (decrease)		
5.	Total gain (loss) on disposals		
6.	Deduct consideration received on disposals	7,500,000	22,790,000
7.	Deduct amortization of premium		
8.	Total foreign exchange change in book/adjusted carrying value		
9.	Deduct current year's other than temporary impairment recognized		
10.	Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	8,958,326	16,160,753
11.	Deduct total nonadmitted amounts		
12.	Statement value at end of current period (Line 10 minus Line 11)	8,958,326	16,160,753

SI04 Schedule DB - Part A Verification NONE

SI04 Schedule DB - Part B Verification NONE

SI05 Schedule DB Part C Section 1 NONE

SI06 Schedule DB Part C Section 2 NONE

SI07 Schedule DB - Verification NONE

SI08 Schedule E - Verification (Cash Equivalents) NONE

E01	Schedule A Part 2	NONE
E01	Schedule A Part 3	NONE
E02	Schedule B Part 2	NONE
E02	Schedule B Part 3	NONE
E03	Schedule BA Part 2	NONE
E03	Schedule BA Part 3	NONE
E04	Schedule D Part 3	NONE
E05	Schedule D Part 4	NONE
E06	Schedule DB Part A Section 1	NONE
E07	Schedule DB Part B Section 1	NONE
E08	Schedule DB Part D	NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances										
1			2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
Depository			Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	6	7	8	*
							First Month	Second Month	Third Month	
open depositories										
Comerica Bank 0.18%	DETROIT, MI			0.180	1,945	26	12,791,304	10,050,540	8,272,622	X X X
US Bank .13%	DETROIT, MI	12/31/2009		0.130	495		500,000	500,000		X X X
US Bank .15%	DETROIT, MI	03/10/2010		0.150		433	500,000	500,000	500,000	X X X
US Bank .13%	DETROIT, MI	09/13/2010		0.130		28			500,495	X X X
American National BK of MN .45	COMERICA	08/03/2010		0.450		92		250,000	250,000	X X X
AmericanCharteredBk .65%	COMERICA	02/01/2010		0.650	409	134	250,000	250,000	250,000	X X X
AplalachianCommBank 1.39%	COMERICA	08/03/2009		1.390	237		99,000			X X X
AplalachianCommBank 1.39%	COMERICA	08/03/2009		1.390	237		99,000			X X X
Bank of Marion .73%	COMERICA	10/26/2009		0.730	184	60	100,000	100,000	100,000	X X X
Bank of Marion .73%	COMERICA	10/26/2009		0.730	184	60	100,000	100,000	100,000	X X X
Cathay Bank 1.24%	COMERICA	08/03/2009		1.240	535		250,000			X X X
ChinaTrust Bank .74%	COMERICA	10/26/2009		0.740	466	152	250,000	250,000	250,000	X X X
Cist Bank CD .45%	COMERICA	08/03/2010		0.450	89	93		250,000	250,000	X X X
Community Bank .59%	COMERICA	02/02/2010		0.590	147	48	99,000	99,000	99,000	X X X
Community Bank .59%	COMERICA	02/02/2010		0.590	147	48	99,000	99,000	99,000	X X X
Discover Bank .59%	COMERICA	02/02/2010		0.590	372	121	250,000	250,000	250,000	X X X
Fifth Third Bnk .45%	COMERICA	04/27/2010		0.450		40	107,000	107,000	107,000	X X X
Fifth Third Bnk .78%	COMERICA	10/27/2009		0.780	199	65	101,000	101,000	101,000	X X X
FifthThirdbank 1.13%	COMERICA	08/03/2009		1.130	488		250,000			X X X
Financial Bnk USA 1.23%	COMERICA	10/27/2009		1.230	307	100	99,000	99,000	99,000	X X X
FinancialFedSavings .59%	COMERICA	02/02/2010		0.590	372	121	250,000	250,000	250,000	X X X
First American StBnk .80%	COMERICA	10/26/2009		0.800	200	65	99,000	99,000	99,000	X X X
First American StBnk .80%	COMERICA	10/26/2009		0.800	200	65	99,000	99,000	99,000	X X X
First Bank of Ohio Tiffin CD .70%	COMERICA	04/27/2010		0.700		144	250,000	250,000	250,000	X X X
First Bank of Puerto Rico .80%	COMERICA	10/26/2009		0.800	504	164	250,000	250,000	250,000	X X X
First National Bank & Td .2%	COMERICA	08/03/2010		0.200				7,000	7,000	X X X
FirstRegionalbank 1.25%	COMERICA	08/03/2009		1.250	539		250,000			X X X
GreystoneBank .59%	COMERICA	02/02/2010		0.590	77	25	52,000	52,000	52,000	X X X
Independence Bank Newport Beach .65%	COMERICA	04/27/2010		0.650		53	99,000	99,000	99,000	X X X
Independence Bank Newport Beach .65%	COMERICA	04/27/2010		0.650		53	99,000	99,000	99,000	X X X
Kansas State Bank of Manhattan .49%	COMERICA	04/27/2010		0.490		38	95,000	95,000	95,000	X X X
KeywestBank 1.48%	COMERICA	08/03/2009		1.480	639		250,000			X X X
LibertybBankofArkansas .912%	COMERICA	08/03/2009		0.912	82		52,000			X X X
LydianPrivateBank 1.37%	COMERICA	08/03/2009		1.370	591		250,000			X X X
M&I Bank, Nat'l Assoc. .45%	COMERICA	08/03/2010		0.450	98	102		250,000	250,000	X X X
Mercantile bnk of Mich .30%	COMERICA	10/27/2009		0.300	47	48		196,000	196,000	X X X
Mercantile bnk of Mich .70%	COMERICA	10/26/2009		0.700	95	31	54,000	54,000	54,000	X X X
MerchantsBkCalifornia .60%	COMERICA	02/01/2010		0.600	378	123	250,000	250,000	250,000	X X X
Merrick Bank .3%	COMERICA	08/03/2010		0.300	24	24		99,000	99,000	X X X
Native American Bnk .78%	COMERICA	10/27/2009		0.780	197	64	100,000	100,000	100,000	X X X
Native American Bnk .90%	COMERICA	10/26/2009		0.900	340	111	150,000	150,000	150,000	X X X
Plaza bank .75%	COMERICA	10/26/2009		0.750	280	91	148,000	148,000	148,000	X X X
Plaza Bank .775%	COMERICA	10/27/2009		0.775	199	65	102,000	102,000	102,000	X X X
PreferredBk 1.00%	COMERICA	02/01/2010		1.000	630	206	250,000	250,000	250,000	X X X
State Bank Of India .70%	COMERICA	10/26/2009		0.700	175	57	99,000	99,000	99,000	X X X
State Bank Of India .70%	COMERICA	10/26/2009		0.700	175	57	99,000	99,000	99,000	X X X
State Bank Of India .70%	COMERICA	10/26/2009		0.700	92	30	52,000	52,000	52,000	X X X
State Bank of India 1.18%	COMERICA	04/27/2010		1.180		243	250,000	250,000	250,000	X X X
Summit Bank CD .84	COMERICA	08/03/2010		0.840		68		99,000	99,000	X X X
Summit Bank CD .84	COMERICA	08/03/2010		0.840		68		99,000	99,000	X X X
Tennessee St Bnk 1.00%	COMERICA	10/26/2009		1.000	630	206	250,000	250,000	250,000	X X X
The Upstate National Bank .92%	COMERICA	04/27/2010		0.920		75	99,000	99,000	99,000	X X X
The Upstate National Bank .92%	COMERICA	08/03/2010		0.920		93		250,000	250,000	X X X
Town Bank .59%	COMERICA	02/02/2010		0.590	372	121	250,000	250,000	250,000	X X X
Upstate National Bnk .78%	COMERICA	10/27/2009		0.780	195	64	99,000	99,000	99,000	X X X
World's Foremost Bnk .78%	COMERICA	10/27/2009		0.780	491	160	250,000	250,000	250,000	X X X
0199998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories			X X X	X X X						X X X
0199999 Totals - Open Depositories			X X X	X X X	14,063	4,335	20,541,304	17,800,540	16,023,117	X X X
0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories			X X X	X X X						X X X
0299999 Totals - Suspended Depositories			X X X	X X X						X X X
0399999 Total Cash On Deposit			X X X	X X X	14,063	4,335	20,541,304	17,800,540	16,023,117	X X X
0499999 Cash in Company's Office			X X X	X X X	X X X	X X X				X X X
0599999 Total Cash			X X X	X X X	14,063	4,335	20,541,304	17,800,540	16,023,117	X X X

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1	2	3	4	5	6	7	8
Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year
<div>NONE</div>							
8699999 Total - Cash Equivalents



MEDICARE PART D COVERAGE SUPPLEMENT
Net of Reinsurance
For the Quarter Ended September 30, 2010

NAIC Group Code: 1238

NAIC Company Code: 95644

		Individual Coverage		Group Coverage		5 Total Cash
		1 Insured	2 Uninsured	3 Insured	4 Uninsured	
1.	Premiums Collected		X X X		X X X	
2.	Earned Premiums		X X X		X X X	X X X
3.	Claims Paid		X X X		X X X	
4.	Claims Incurred		X X X		X X X	X X X
5.	Reinsurance Coverage and Low Income Cost Sharing - Claims	NONE				
	Paid Net of Reimbursements Applied (a)			X X X		
6.	Aggregate Policy Reserves - change				X X X	X X X
7.	Expenses Paid				X X X	
8.	Expenses Incurred		X X X		X X X	X X X
9.	Underwriting Gain or Loss		X X X		X X X	X X X
10.	Cash Flow Results	X X X	X X X	X X X	X X X	

(a) Uninsured Receivable/Payable with CMS at End of Quarter: \$.....0 due from CMS or \$.....0 due to CMS

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